

## Message Text

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61

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 SS-20 NSC-07 SP-03 CIAE-00 INR-10

NSAE-00 RSC-01 PA-04 PRS-01 TRSE-00 STR-08 AGR-20

SWF-02 L-03 OTPE-00 INT-08 FEA-02 SCI-06 HEW-08 EPA-04

CEQ-02 NSF-04 DRC-01 /151 W  
----- 091758

R 090853Z MAY 74

FM AMEMBASSY BUDAPEST

TO WHITE HOUSE WASHDC

USINFO WASHDC

SECSTATE WASHDC 1277

USDOC WASHDC

UNCLAS BUDAPEST 1136

WHITE HOUSE FOR OMB ZARB

USINFO FOR IPS/PE, IEE

USDOC FOR BUREAU EAST-WEST TRADE TREICHEL

E.O. 11652: N/A

TAGS: BEXP, HU

SUBJ: EXECUTIVE-LEVEL TRADE ISSION

REF: STATE 093806, 092885, USINFO MAY 4, BUDAPEST 0970;  
BUDAPEST 1118

1. COMPLETE FILE PRESS CLIPPINGS SENT APRIL 29 IN  
DACHI LETTER TO ZARB OF OMB AND ROCHOW USIA/IEE WITH  
COPIES TO TREICHEL OF COMMERCE AND SHEPARD OF STATE EUR/EE.

2. COMPLETE SET PHOTOS TAKEN BY HUNGARIANS WILL BE SENT IN A  
FEW DAYS WHEN AVAILABLE COPIES RETURNED FROM RPO VIENNA, WHERE  
EXHIBIT PICTURES IN PREPARATION.

3. FOLLOWING IS PRESS AND DEPARTURE STATEMENT:

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A HIGH-LEVEL EXECUTIVE TRADE MISSION FROM THE UNITED

STATES HAS CONCLUDED WITH SUCCESSFUL RESULTS. FRANK ZARB, DIRECTOR OF THE US MISSION, SAID TODAY THAT QUOTE OU MEETINGS WITH VARIOUS HUNGARIAN GOVERNMENT AND INDUSTRY LEADERS HAVE OPENED NEW OPPORTUNITIES FOR TRADE IN THE NEAR FUTURE. UNQUOTE ZARB SAID THAT HIS DELEGATION HAD TWO OBJECTIVES, FIRST TO BETTER UNDERSTAND THE EXISTING STATUS AND FUTURE DIRECTION OF THE HUNGARIAN ECONOMY SO THAT A BETTER JOB CAN BE DONE IN DEVELOPING ALL POSSIBLE AVENUES FOR COOPERATION BETWEEN AMERICAN AND HUNGARIAN INDUSTRIES. HE ADDED THAT THE SECOND OBJECTIVE WAS TO DEVELOP SPECIFIC NEW PROJECTS FOR TRADE COOPERATION BY INTRODUCING HIGH-LEVEL EXECUTIVES OF US COMPANIES TO THEIR COUNTERPARTS IN HUNGARIAN GOVERNMENT AND BUSINESS. BOTH OF THESE OBJECTIVES HAVE BEEN MORE THAN ACHIEVED. QUOTE THIS SUCCESS WAS ACCOMPLISHED PRIMARILY DUE TO THE HELPFUL, WARM, AND RESPONSIVE WELCOME THAT OUR MEMBERS RECEIVED FROM ALL OF THE HUNGARIAN OFFICIALS WHO RECEIVED US AND WITH WHOM WE HAVE WORKED DURING THE LAST TWO WEEKS. UNQUOTE.

AMERICAN AMBASSADOR RICHARD F. PEDERSEN MADE THE FOLLOWING STATEMENT IN THAT CONNECTION, QUOTE IT WAS ESPECIALLY PLEASING TO ME THAT THIS ECONOMIC MISSION TO HUNGARY WAS LED BY A REPRESENTATIVE FROM THE OFFICE OF THE PRESIDENT. MR. ZARB'S CAPABLE LEADERSHIP OF THE DELEGATION WHICH WAS HERE FOR TWO FULL WEEKS IS INDICATIVE OF OUR DESIRE TO STIMULATE NOT ONLY FURTHER COMMERCIAL RELATIONS NOW, BUT ALSO A LONGER RANGE ECONOMIC ASSOCIATION AS WELL AS A CONTINUING IMPROVEMENT IN OUR POLITICAL RELATIONS. HIS MISSION WAS AN APPROPRIATE SEQUEL TO THE VISITS OF THE SECRETARIES OF STATE AND COMMERCE AND TO VISITS OF LEADING HUNGARIAN OFFICIALS TO THE UNITED STATES. UNQUOTE

DURING THE STAY MR. ZARB WAS RECEIVED BY A NUMBER OF HIGH-LEVEL GOVERNMENT OFFICIALS INCLUDING PRESIDENT LOSONCZI AND DEPUTY PRIME MINISTER HUSZAR AS WELL AS SEVERAL OTHER PROMINENT LEADERS IN HUNGARIAN ECONOMIC LIFE. THE LATTER INCLUDED JOZSEF BIRO, MINISTER OF FOREIGN TRADE; ODON KALLOS, PRESIDENT OF THE CHAMBER

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OF COMMERCE; GYULA SZEKER, MINISTER OF HEAVY INDUSTRY; IMRE DIMENY, MINISTER OF AGRICULTURE; LAJOS FALUVEGI, MINISTER OF FINANCE; BELA CSIKOS-NAGY; CHIEF OF THE OFFICE OF PRICES AND MATERIALS; MIKLOS GACSI, FIRST DEPUTY MINISTER OF METALLURGY AND MACHINERY; JANOS HEICZMANN, DEPUTY MINISTER OF METALLURGY AND MACHINERY; JANOS NAGY, DEPUTY MINISTER OF FOREIGN AFFAIRS; JANOS SZITA, CHIEF OF THE SECRETARIAT OF INTERNATIONAL

ECONOMIC RELATIONS; LAJOS SZILAGY, DEPUTY MINISTER OF CONSTRUCTION; ISTVAN HETENYI, DEPUTY CHAIRMAN OF THE NATIONAL PLANNING OFFICE; AND JANOS FEKETE, VICE PRESIDENT OF THE NATIONAL BANK.

SOME OF THE SPECIFIC ACTIONS WHICH WILL TAKE PLACE FOLLOWING THIS MISSION ARE THESE:

AGRICUTURE AND FOOD PROCESSING: A NUMBER OF SPECIFIC PROPOSALS FOR JOINT DEVELOPMENT WILL BE PURSUED LATER IN THE SPRING WHEN SEVERAL UNITED STATES TECHNICAL REPRESENTATIVES FROM US COMPANIES WILL RETURN TO HUNGARY TO WORK OUT ADDITIONAL DETAILS. IN ADDITION, A DELEGATION OF HUNGARIAN REPRESENTATIVES HAD BEEN INVITED TO VISIT THE UNITED STATES TO MAKE FURTHER PROGRESS IN CONCLUDING AGREEMENTS IN THIS FIELD. ALSO IN THE AGRICULTURAL FIELD, ONE US FIRM HOPES TO SIGN AN AGREEMENT WITH A HUNGARIAN ORGANIZATION WHICH WILL PROVIDE FOR THE SCREENING OF CHEMICAL BY-PRODUCTS TO DETERMINE WHETHER ANY MIGHT BE USEFUL TO AGRICULTURE, ANY SUCH PRODUCTS DISCOVERED WOULD BE JOINTLY DEVELOPED.

TELECOMMUNICATIONS: A FOLLOW-UP SYMPOSIUM IS PLANNED IN BUDAPEST ON MAY 6, 7 AND 8 WHICH WILL PROVIDE A COMPREHENSIVE PRESENTATION OF OPPORTUNITIES FOR COOPERATION IN THE TELECOMMUNICATIONS FIELD. THE SYMPOSIUM WILL BE FOLLOWED BY MEETINGS SPECIFICALLY DEFINING DETAILS OF A POSSIBLE COOPERATION AGREEMENT.

HEAVY INDUSTRIAL PRODUCTS: UNITED STATES REPRESENTATIVES WILL SERIOUSLY EXPLORE OPPORTUNITIES TO PURCHASE CASTINGS, FORGINGS, STEEL PLATE, AND ALLOY SHAPES FROM HUNGARIAN INDUSTRIES.

IN THE AREA OF OIL AND GAS PRODUCTION IMPORT, PROGRESS WAS MADE IN THE POSSIBILITY OF PROVIDING GAS PIPELING COMPRESSORS TO HUNGARY.

HEALTH: THE US REPRESENTATIVES OFFERED TO  
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SERIOUSLY EXPLORE COOPERATION IN A WIDE RANGE OF MEDICAL AND ENVIRONMENTAL SYSTEM. AN OFFER HAD BEEN MADE TO PROVIDE NEW TECHNOLOGY ON A TRIAL BASIS FOR SOME PERIOD TO TIME SO THAT THIS EQUIPMENT MAY BE TESTED IN HUNGARY AND FURTHER MEASURE ITS USEFULNESS FOR FURTHER COOPERATIVE DEVELOPMENT IN THE FUTURE.

THERE WERE MANY OTHER DETAILED PROPOSALS DISCUSSED AND AGREEMENTS MADE TO FOLLOW UP WITH MORE MEETINGS IN THE WEEKS AHEAD. MR. ZARB SAID THAT US BUSINESSMEN INDICATED WILLINGNESS TO WORK WITH HUNGARIANS INDUSTRIES IN A FLEXIBLE WAY TO THAT LONG AND DURABLE RELATIONSHIPS MAY BE DEVELOPED OVER A PERIOD OF TIME.

DISCUSSIONS WERE ALSO HELD CONCERNING THE DESIRABILITY OF MORE CONTACT AND COOPERATION BETWEEN HUNGARIAN AND US SCIENTISTS IN A BROAD RANGE OF

RESEARCH ACTIVITIES.

FINALLY, WHILE IN HUNGARY MR. ZARB ALSO PAID VISITS TO SEVEAL HUNGARIAN ECONOMIC ESTABLISHMENTS, INCLUDING THE BABOLNA STATE FARM, "RADELKIS" INDUSTRIAL COOPERATIVE, AND GYOR WAGON AND MACHINE WORKS.

IN SUMMARY, MR. ZARB SAID THAT THE TWO-WEEK VISIT WAS EXTREMELY WORTHWHILE AND THAT HE IS CONFIDENT THAT IT WILL LEAD TO AN ORDERLY DEVELOPMENT OF EXPANDED ECONOMIC RELATIONS BETWEEN THE UNITED STATES AND HUNGARY.

PEDERSEN

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## Message Attributes

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